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July 11, 2001

Sheldon Muller, Esq.
Enforcement Attorney
United States Environmental
Protection Agency-Region VIII
999 18th Street, Suite 300
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Re: Rico-Argentine Site

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Dear Mr. Muller:

This letter responds to EPA's letter dated July 3, 2001 from Sharon Kercher to J. Landis Martin. NL received the letter today.

I called you today to discuss the issues raised by Ms. Kercher's letter. The following sets forth the matters we discussed and the proposed resolution.

1. EPA maintains that NL has "provided virtually no information or relevant documentation in response to EPA's Section 104(e) request." I informed you that NL has provided all documents within its possession regarding the Rico-Argentine Site. As my May 14, 2001 letter indicates, NL provided all records in its possession regarding Rico-Argentine. NL's 104(e) responses also note that all documents within the possession of NL have been submitted. It appears to us that EPA dislikes the fact that NL does not have more documents. In my experience, it is not unusual in matters dating back 60 to 70 years to have little or no surviving records. We specifically dispute the statement that virtually no relevant information was provided. We believe that a tremendous amount of valuable information was discovered and provided as required. Relevant information was contained in the documents that NL produced, including the yearly St. Louis Smelting & Refining (SLSR) reports to the Bureau of Mines that set forth detailed information on the activities of SLSR in the Rico-Argentine district and lists of the mining interests of the SLSR in the Rico-Argentine district. Likewise, the corporate records of the Rico Mining and Reduction Company are an extremely valuable source of relevant information. Under these circumstances, when I asked you what additional we could be expected to do, you acknowledged that NL has complied with its statutory obligation by producing all documents within its possession.

2. EPA maintains that NL's response "consisted primarily of objections" on various grounds. You will note that the objections were stated for the record in each response. However, NL, without waiving the objections, then answered each response by referring to the applicable document or providing a narrative response. This is standard practice under the Federal Rules, and NL has every legal right to assert applicable objections.

3. You indicated that EPA was unhappy with documents in response to requests. As I clearly stated in my May 14, 2001 letter: "NL has no current employees with contemporaneous knowledge of the events covered by the Request. As a result, NL can only respond to the extent that it still has documents that may contain responsive information." Each of NL's responses likewise stated, where appropriate, that NL's information comes from the documents. We both discussed and agreed that NL is not required to quote from or characterize information in the documents produced. This is especially true since NL obtained many of the documents from third parties.

4. EPA maintained that NL's response was "inadequate." EPA identified no specific deficiencies. I asked you to identify with specificity what responses were considered inadequate and why, since EPA failed to identify what was inadequate, and what NL could do to correct the perceived problem. You indicated that the EPA wanted information regarding the relationship between NL (National Lead) and SLSR. As already indicated in two prior CERCLA 104(e) responses addressed to Mr. Broste at Region VIII regarding the California Gulch Superfund Site (See NL's response NL request 10), we provided EPA with information on this topic. In addition, the documents we submitted (approximately 115 pages) in response to the March 7, 2001 request plainly indicate in several instances that SLSR was a subsidiary of NL. SLSR was a subsidiary of NL from 1891 until the dissolution of SLSR in 1948. With respect to the Rico-Argentine Site, SLSR acquired the business of The Rico Mining and Reduction Company, as set forth in the documents that NL produced in response to the March 7, 2001 information request.

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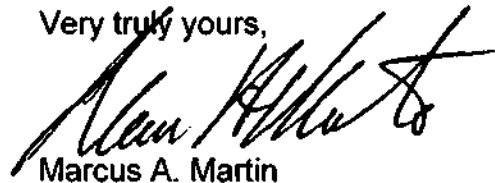
You indicated that the foregoing information would address EPA's concerns regarding NL's 104(e) response and that EPA would take no further action based on the July 3, 2001 letter. I want to stress that NL takes very seriously its obligations to comply with the EPA's requests and we will promptly cooperate to assist the agency in resolving any outstanding questions or issues. I hope that our discussion today provided the information you believe is necessary. I request that if there is anything further you need, please contact me immediately so that we can work to a prompt resolution.

Sheldon Muller, Esq.
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Finally, as we discussed today, NL intends to cooperate with the EPA to address the Rico-Argentine Site. As you know, NL has been working cooperatively with Arco to formulate a response to the issues that have been identified. We look forward to a continuation of this effort. In this regard, I indicated that I would be available for a meeting during the week of August 13, except August 16. Please let me know as soon as possible which date and time that week you would like to meet.

Thank you for your cooperation and I look forward to working with you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Marcus A. Martin", written over the typed name.

Marcus A. Martin

c: David L. Broste